



## **Prides Corner Farms, Inc.**

*"The right plants . . . at the right time"*

March 9, 2023

### **Testimony in support of: HB5290 AN ACT SUNSETTING THE HIGHWAY USE TAX (HUT)**

I urge your support of HB5290.

My name is Mark Sellew. I currently own and operate a farm business with locations in Lebanon, Cromwell, Ledyard and Suffield, CT. Our business grows Trees, Fruit Trees, Shrubs, Perennials, Herbs, and Vegetables. We ship over 5,000,000 plants in the northeast each year on more than 4,000 trucks of Connecticut grown plants. My testimony is from the perspective of the agriculture industry but I know that other industries also have the same concerns.

PA 21-177 was passed in 2021 which imposed a mileage tax on trucks traveling on Connecticut highways. Collection of the Highway Use Tax (HUT) began on January 1, 2023.

Since the passage of that bill Connecticut farmers, who are at the very beginning of the food and horticultural supply chain, have experienced unprecedented increases in farm input costs. Fertilizer, which is a global commodity, accounts for 15% on-average of farm production cost. The cost of fertilizer has increased significantly since 2021. Crop production supplies like poly and plastic for hoop houses and plastic containers used by the greenhouse and nursery industries have increased by up to 50%. Farms continue to experience supply chain disruptions and labor shortages. Weather related events like the 2022 drought have further strained farm profitability.

This additional tax burden will have to be passed on to our customers who will then pass it on to their customers, your constituents. This will be on top of the price increases we have seen over the last few years. This will put us at a disadvantage to our out of state competitors who don't have this tax.

The administration of collecting the data for computing the tax due is very burdensome. It is expected that we weigh our trucks at the beginning of each day and as we make delivery of materials. This means we should weigh the truck after each delivery since the tax is based on the weight of the truck along with the cargo. A truck could have 4 or 5 stops on it. This is administratively impossible to track accurately.

Connecticut farm businesses operate in a domestic, international, and global economy. Increased farm production costs in Connecticut and nationally are expected to continue as farmers face challenges from climate change, labor shortages and a growing demand for domestically grown product. I urge your support of this bill.

Respectfully submitted,

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